



JOYCE HAMPERS
COMMISSIONER

The Commonwealth of Massachusetts

Department of Revenue

Leverett Saltonstall Building,

100 Cambridge Street, Boston 02204

August 10, 1981

("Company") is an advertising agency that makes purchases of photos, artwork and other items that are subject to the sales tax. You inquire whether the "sales price" of such items on which the tax is based includes so-called "rush charges." The rush charges are imposed by the vendor for preparing items for sale more quickly than is customary. (For example, a vendor whose employees work overtime to have photographic prints ready within 24 hours of the Company's order may impose a rush charge on its sale of such prints to the Company.) No part of the rush charges represents a charge for transportation of items sold.

Massachusetts General Laws Chapter 64H, Section 1(14) defines the "sales price" on which the sales tax is based as "the total amount paid by a purchaser to a vendor as consideration for a retail sale..." It further provides that, in determining the sales price, the cost of property sold, the cost of materials used, labor or service cost, interest charges, losses or other expenses, and any amount paid for any services that are a part of the sale, all are included.

Based on the foregoing, it is ruled that for purposes of the sales tax, the sales price of items purchased by the Company includes "rush charges" for early preparation of items sold, even if such charges are separately stated on invoices to the Company.

Very truly yours,

Joyce Hampers
Commissioner of Revenue

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